

MESSAGE FROM THE BOARD MEMBERS

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This fiscal year 2004 Performance and Accountability Report summarizes the accomplishments of the Railroad Retirement Board (RRB) in administering the retirement, disability, and survivor benefit program provided under the Railroad Retirement Act (RRA) and the unemployment and sickness insurance benefit program provided under the Railroad Unemployment Insurance Act (RUIA). The performance and financial data presented in this report are complete and reliable in accordance with guidance available from the Office of Management and Budget (OMB), and we have identified no material inadequacies. This report describes our continuing efforts to provide timely and useful information to RRB managers, OMB, the Congress, and our constituents. We are proud of the agency's dedicated employees whose achievements are reflected in this report.

The RRB has a long and distinguished tradition of excellence in serving our customers. In recent years, we have achieved high levels of accuracy and timeliness in the benefit programs we administer, and high scores for customer service in independent surveys of railroad retirement beneficiaries and unemployment insurance claimants. Our agency website (www.rrb.gov) has also been very well received by the public and was rated in the top 10 percent of Federal government sites, excelling in help features, ease of use, and accessibility. Our continuing commitment to responsible stewardship of the benefit programs we administer is reflected by the unqualified ("clean") opinions on the RRB's financial statements for the past 5 years.

The RRB's financial management systems provide the agency with reliable, timely, complete, and consistent performance and financial information to make decisions, to efficiently operate and evaluate programs, and to substantially satisfy the requirements of the Federal Financial Management Improvement Act, §803(a), the Government Performance and Results Act, and OMB Circular A-11. The adequacy and effectiveness of our management controls and the compliance of our financial management systems with governmentwide requirements is further delineated in the Systems and Controls part of the Management's Discussion and Analysis section. That part also provides the status of the actions we are taking and progress we are making to correct deficiencies in operational and technical controls that have been found to constitute a material weakness in our information security program.

For fiscal year 2004, the results of the evaluation of controls prescribed by the Federal Managers' Financial Integrity Act (FMFIA), as well as other information (such as internal audits), provide reasonable assurance that the RRB's system of controls complies with Section 2, Internal Controls, and Section 4, Financial Systems, of the FMFIA. The system of internal control of this agency that relates to the security of financial management systems and performance and other financial data, except as indicated above, satisfies the requirements of the Federal Information Security Management Act of 2002, §3544.

We will continue to use information technology and innovation to provide excellent customer service to the railroad employers, railroad employees, and the beneficiaries whom we serve. We are also committed to prudent stewardship over the agency trust funds and the administrative resources entrusted to us.



Michael S. Schwartz
Chairman

V. M. Speakman, Jr.
Labor Member



Jerome F. Kever
Management Member

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